

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Swampscott Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 29, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.375% to 7.125% and an increase in the COLA base to \$14,000.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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Section 2: Actuarial Valuation Results

Funding schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Actuarial Accrued Liability	(4) Actuarially Determined Contribution (ADC): (2) + (3)	(5) Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(6) Percent Increase in ADC Over Prior Year
2022	\$978,663	\$4,730,922	\$5,709,585	\$43,873,721	—
2023	1,011,336	4,983,728	5,995,064	41,931,723	5.00%
2024	1,045,094	5,249,723	6,294,817	39,580,539	5.00%
2025	1,079,972	5,529,586	6,609,558	36,776,886	5.00%
2026	1,116,008	5,824,028	6,940,036	33,473,670	5.00%
2027	1,153,240	6,133,798	7,287,038	29,619,679	5.00%
2028	1,191,707	6,459,683	7,651,390	25,159,250	5.00%
2029	1,231,451	6,802,508	8,033,959	20,031,911	5.00%
2030	1,272,512	7,163,145	8,435,657	14,171,997	5.00%
2031	1,314,935	7,508,232	8,823,167	7,508,232	4.59%
2032	1,358,765	0	1,358,765	0	-84.60%

Notes: Fiscal 2022 actuarially determined contributions set equal to budgeted amount.

Actuarially determined contributions are assumed to be paid on July 1.

Item (2) reflects 3% growth in payroll, as well as a 0.15% adjustment to total normal cost to reflect the effects of mortality improvements due to the generational mortality assumption.

Projected normal cost does not reflect the future impact of pension reform on future hires.

Projected unfunded actuarial accrued liability does not reflect the recognition of deferred investment gains.